State Of California **The Resources Agency Of California**

M e m o r a n d u m

Date : August 24, 1998

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File : issuerpt.mem

From : **California Energy Commission** - Eileen Allen
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Energy Facilities Siting Project Manager

Subject : **Pittsburg District Energy Facility Issue Identification Report**

Attached is the staff's Issue Identification Report for the Pittsburg District Energy Facility (98-AFC-1). This report serves as a preliminary scoping document as it identifies issues the Energy Commission staff believe to be potentially significant at this time. Energy Commission staff will present the issues report at the Committee's scheduled Informational Hearing on September 3, 1998, at the Marina Community Center in Pittsburg, California.

Attachment

cc Proof of Service (98-AFC-1)
Ray Menebroker, ARB
Jeff Kolin, City of Pittsburg
Randy Jerome, City of Pittsburg
Michael Ramsey, City of Antioch
Dennis Jang, BAAQMD
Peter Mackin, ISO
Paul Causey, Delta Diablo
Matt Haber, U.S. EPA, Reg. IX

PITTSBURG DISTRICT ENERGY FACILITY (98-AFC-1)

ISSUE IDENTIFICATION REPORT

CALIFORNIA ENERGY COMMISSION

Energy Facilities Siting and Environmental Protection Division

August 24, 1998

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ISSUE IDENTIFICATION REPORT

PURPOSE

This report has been prepared by the California Energy Commission staff to inform the Committee and all interested parties of the potential issues that have been identified. These issues have been identified as a result of our site visits and discussions with other agencies and interested participants during prefiling and the data adequacy phase, and our review of the Pittsburg District Energy Facility (PDEF) Application for Certification (AFC), Docket Number 98-AFC-2. This report contains a project description, a summary of potential issues, a summary of policy issues and a discussion of the staff's proposed project schedule.

A second purpose of this report is to serve as a preliminary scoping report on the potential issues for the Energy Commission's energy facility siting review.

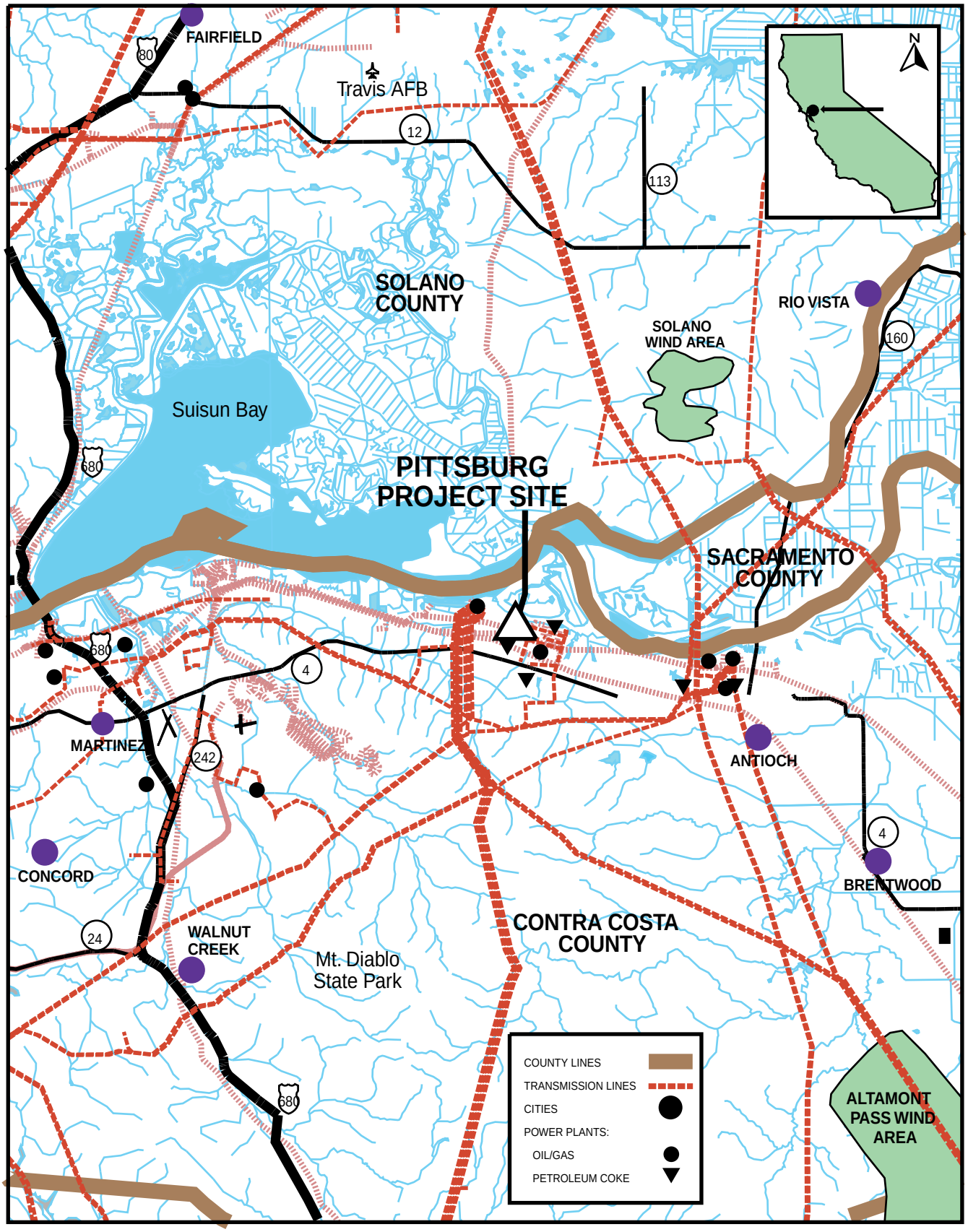
PROJECT DESCRIPTION

The project, as proposed, will be located on a 12-acre site on East 3rd Street, west of the intersection of East 3rd and Columbia in the City of Pittsburg, in eastern Contra Costa County. The site is on the northwest corner of property owned by USS-POSCO Industries. See Project Description Figure 1 for the regional setting. See Project Description Figure 2 for the location of the project site and related facilities. The PDEF project will be providing process steam to USS-POSCO. Electrical energy produced from the proposed power plant will be sold to California's regional power pool and other electricity consumers.

The project, as proposed by the Pittsburg District Energy Facility Limited Liability Company, is a 500 MW, natural gas-fired, combined cycle, cogeneration facility. This company is a subsidiary of the Enron Capital and Trade Resources Corporation. The design would consist of two combustion turbine generators with either one or two steam turbine generators. Natural gas is burned in the combustion turbine generators, which converts the thermal energy into mechanical energy required to drive a compressor and electric generator. The combustion turbine units will include exhaust stacks and step-up transformers, heat recovery steam generator units, steam turbine generator units and their transformers, and water treatment and cooling towers. A 115 kV high voltage switchyard will be located on the east side of the project site. Reclaimed water for turbine cooling will be supplied from the Delta Diablo Wastewater Treatment Facility located in the City of Antioch.

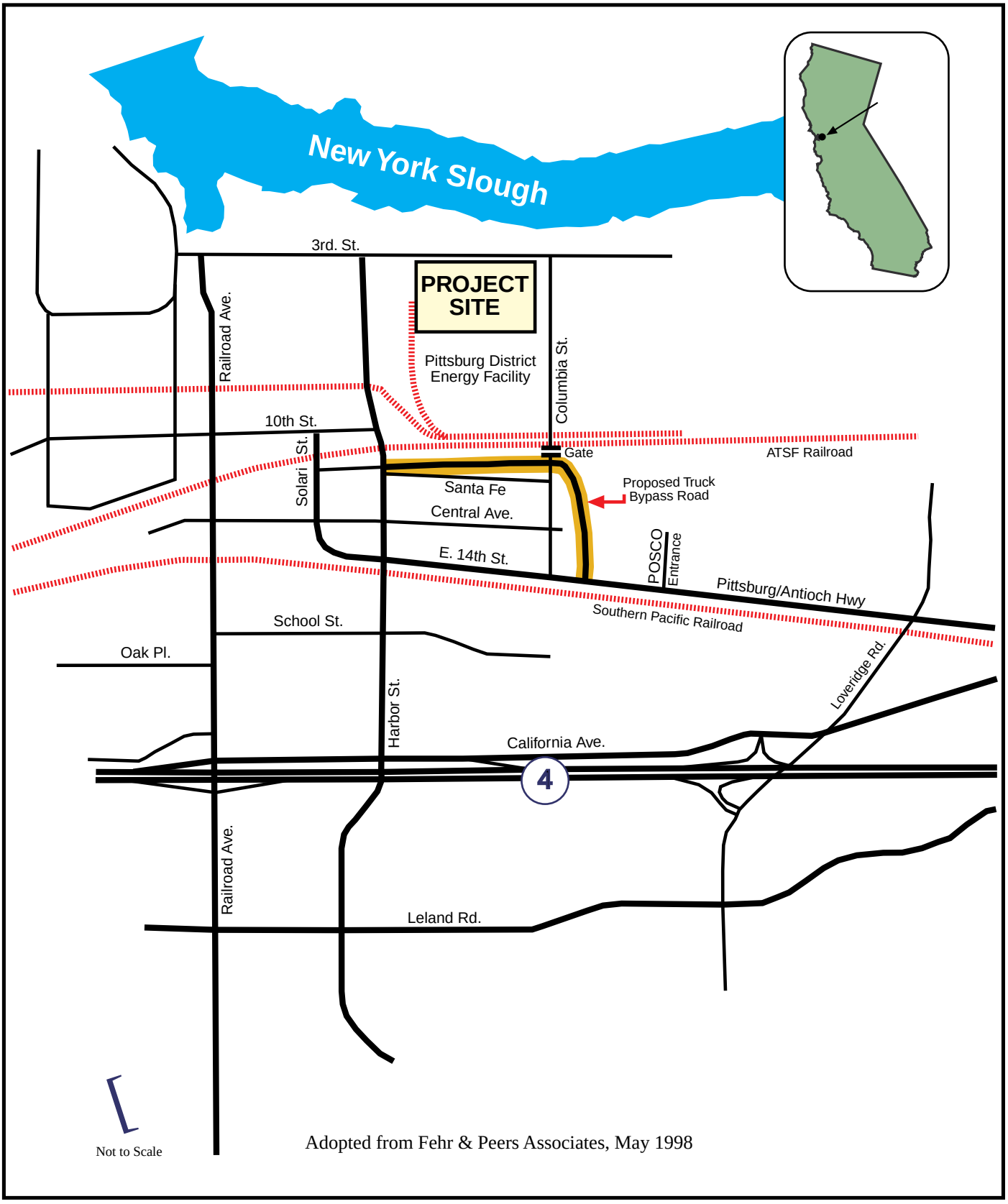
Linear electric facilities associated with the project include: a new 1.6 mile double circuit 115 kilovolt (kV) overhead electric transmission line to connect the project to Pacific Gas & Electric's (PG&E) existing 115kV transmission line on Columbia Street; and on the same towers as the above double circuit line, a new 1.1 mile single circuit 115 kV line to connect the PDEF with the USS-POSCO Industries plant. Sections of

Project Description - Figure 1
Pittsburg District Energy Facility - Regional Setting



CALIFORNIA ENERGY COMMISSION ENERGY FACILITIES SITING & ENVIRONMENTAL PROTECTION DIVISION, AUGUST 1998
SOURCE: California Energy Commission Statewide Transmission Line & Power Plant maps/1997-1998 & USGS 7.5 Minute Quadrangles

Project Description - Figure 2
Pittsburg District Energy Facility - Project Location



Adopted from Fehr & Peers Associates, May 1998

these new lines will parallel existing 115 kV lines. Pipeline facilities associated with the project include: a potable water supply line approximately 500 feet long; a gas pipeline approximately 3.6 miles long; a sewer line approximately 500 feet long; and a reclaimed water line approximately 2 miles long. All of the pipeline facilities will be buried underground.

In support of the city of Pittsburg's effort to reroute existing marine terminal truck traffic as well as provide improved access to the project site, the PDEF project has sponsored and will construct a new Truck Bypass Road which will be approximately .75 mile long. It will connect East 14th Street, near the existing intersection of Columbia Street and East 14th, to Harbor Street, near the existing intersection of Santa Fe Boulevard and Harbor (see Project Description Figure 2).

POTENTIAL ISSUES

This portion of the report contains a discussion of the potential issues the Energy Commission staff have identified to date. The Committee should be aware that the list may not include all the significant issues that could arise during the case, as discovery is not yet complete, and other parties have not yet had an opportunity to identify their concerns. The identification of these potential issues was based on our judgement of whether any of the following circumstances will occur:

- significant impacts may result from the project which may be difficult to mitigate;
- the project as proposed may not comply with applicable laws, ordinances regulations or standards (LORS);
- conflicts arise between the parties about the appropriate findings or conditions of certification for the Energy Commission decision.

The following table identifies the subject areas evaluated and conclusions at this time. Even though an area is identified as having no "potential" issues, it does not mean that no issue will arise related to the subject area. For example, disagreements regarding the appropriate conditions of certification my arise between staff and applicant which will require discussion at workshops or even subsequent hearings. However, we do not believe such an issue will have an impact on the case schedule or that resolution will be difficult.

The following discussion summarizes each potential issue, identifies the parties needed to resolve the issue, and recommends a process for achieving resolution. At this time, we do not see any of these potential issues as fatal, in that we think each can be resolved. We plan to use this issue identification report to focus our analysis that will be included in the Preliminary Staff Assessment and Final Staff Assessment.

Potential Issue	Subject Area	Potential Issue	Subject Area
Yes	Air Quality	**Yes**	Noise
No	Alternatives	No	Paleontological Resources
Yes	Biological Resources	**Yes**	Public Health
No	Cultural Resources	No	Socioeconomics
No	Efficiency and Reliability	**Yes**	Soils
No	Electromagnetic Fields & Health Effects	No	Traffic and Transportation
No	Facility Design	No	Transmission Line Safety
No	Geology	**Yes**	Transmission System Engineering
No	Hazardous Materials	No	Visual Resources
No	Industrial Safety and Fire Protection	No	Waste
No	Land Use	**Yes**	Water Resources
No	Need Conformance		

AIR QUALITY

There are five critical air quality issues that may affect the timing and possible outcome of the licensing process which include: 1) the provision of emission offsets consistent with Energy Commission licensing requirements; 2) documentation of expected levels of PM10 emissions; 3) cumulative impact analysis; 4) air dispersion modeling; and 5) the applicant's request for flexibility regarding Best Available Control Technology (BACT) for the project.

OFFSETS

Sources of Offsets

The applicant is in negotiation with its potential sources of offsets. However, there is no guarantee that the applicant would be able to secure its offsets requirements to meet their obligations in a timely manner.

We will provide guidance to the applicant about when the offsets must be presented, starting with a staff memorandum that was developed for the High Desert power plant case (see attached 8/4/98 High Desert (97-AFC-1) memorandum). Our specific guidance for the PDEF project will be linked to the availability of, and time required, to secure offsets within the Bay Area Area Quality Management District (District).

Location of Offsets

As in the Crockett Cogeneration power plant case (92-AFC-1), we may require the applicant to exert their best effort to secure offsets in the North Bay. The air basin

where this power plant would be located can be broadly divided into two regions: North Bay and South Bay. During the ozone season (ie, roughly, June through September), in general, most of the North Bay emissions travel through the Carquinez Strait to the Sacramento and San Joaquin Valleys. Emissions from the South Bay mainly affect the southern end of the San Francisco air basin, eg. the San Jose area, but can be transported to the southern end of the San Joaquin Valley. Therefore, it would be preferable to obtain North Bay offsets to mitigate the potential ozone impacts from the proposed PDEF project. So far all the identified potential sources of offsets are located in the North Bay. However, this may be a problem if the applicant is not able to finalize its negotiations with the identified sources.

To address this potential issue we will provide guidance to the applicant on what actions would constitute "best effort".

Offsets Covering Emissions During the "Commissioning" Period

The District is planning to require the applicant to offset emissions including the emissions occurring during the "commissioning" period. This period includes all the operations happening before the start of commercial operation. During "commissioning" new power plants operate for a few days without emission control equipment with subsequent higher than normal emission levels. Even after the installation of control equipment, emission levels may be high due to the lack of proper calibration of instruments, control software, and equipment.

As with Crockett, we will support the District on this issue, and work with the District and applicant to develop permit conditions for the commissioning period, using the conditions developed for the Crockett project as a template. These permit conditions will be designed to ensure that no violation of ambient air quality standards occur due to these high, but temporary, emission levels.

Particulate Matter 10 (PM10)[1]/Particulate Matter 2.5 (PM2.5)[2] Offsets

The estimated particulate matter impacts from this project are significant (about 10 percent of the 24-hour average PM10 standard). However, the District may not require the applicant to provide offsets for particulate matter, because they have not yet adopted rules for PM10 or PM2.5. To avoid significant air quality impacts, we may require mitigation for impacts from direct particulate matter emissions.

The staff may suggest innovative approaches to mitigate PM10/PM2.5 impacts which recognize the disproportional PM10 impacts of ground level sources, such as fireplaces, during high winter time PM events, when high PM concentrations are observed in the San Francisco Bay Area.

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[1] PM10 refers to particulate matter with a size of 10 microns or smaller.

[2] PM2.5 refers to particulate matter with a size of 2.5 microns or smaller.

EMISSIONS

The expected PM10 emissions levels are not clearly documented. The applicant has not identified the gas turbines that would be used for their power plant. The PM10 levels of one of their potential turbines has higher emissions than the emission levels used in the air quality impact and offset analyses.

We may use historical source test data from other gas turbines in California to make sure that the limits proposed by the applicant are reasonable. In any case, permit conditions will clearly reflect the emissions used in the analysis.

CUMULATIVE IMPACT ANALYSIS

Treatment Plant

The proposed project may entail upgrading of the Delta Diablo Wastewater Treatment Facility. If this is the case, the air quality impact analysis should include the potential air quality impacts associated with the construction and operation of any upgrades.

We will ask the applicant to estimate emissions and model this potential new source of air pollution.

New Power Plants

According to news reports (San Francisco Chronicle; July 28, 1998), several new power plants are planned by the Calpine Company for the Northern California region. One of them would be located in the City of Pittsburg. The staff's cumulative impact analysis may need to include this/these new potential source(s) of air pollutant emissions.

If and when Calpine files an Application For Certification for a project in Pittsburg, we will work with them on data that we would need for an estimate of cumulative emissions and a related modeling analysis.

AIR DISPERSION MODELING

Use of Constant Mixing Height in the Air Dispersion Modeling Analysis

Under guidance from the District, the applicant is using a constant mixing height assumption in their air dispersion modeling. Mixing height is the distance above ground limiting the vertical dispersion of pollutants. Regulatory air dispersion models for non-reactive pollutants assume that pollutants released above the mixing height do not impact ground level receptors. The District assumes a constant mixing height due to the fact that the Industrial Source Complex (ISC3) model, the best model for this application per U.S. Environmental Protection Agency regulations, assumes that a power plant plume is either above or below the mixing height. This model does not take into account the fact that a portion of a power plant plume may be trapped below

the mixing height. This is especially problematic in this region because of the very low mixing heights estimated using the only upper air data available (Oakland Airport) for this air basin. The District has made this assumption to overcome the limitations of the ISC3 model and to produce a conservative estimate of impacts.

This deficiency of the ISC3 model may require, if warranted, the use of a different model by the staff to estimate more realistic impact levels. No action may be required if the impacts from the proposed power plant (not including the cooling towers) are small since a constant mixing height is supposed to result in a conservative estimate of impacts.

Cooling Tower Impacts

Most of the PM10 impacts may be due to the cooling towers. The applicant's analysis assumes that all the water in the droplets leaving the cooling tower evaporate and therefore that all the solids dissolved in the droplets become PM10. This assumption may not be realistic since actual PM10 impacts are a function of the size of the droplets leaving the cooling tower (drift) and the ambient conditions, e.g. relative humidity, in the Contra Costa area. The Commission staff may perform a more refined modeling analysis to estimate more realistic impact levels.

BEST AVAILABLE CONTROL TECHNOLOGY (BACT)

The applicant is proposing a 2.5 ppmvd (15% oxygen) for NOx as BACT. This level is in agreement with our current understanding of what constitutes BACT. However, the applicant is asking for some flexibility in case actual operational data from this power plant indicates that this limit cannot be achieved consistently under all loads and under different ambient conditions. To our knowledge, this will be the first commercial large power plant permitted at this level. Future compliance problems may arise if the power plant is not able to operate consistently at or below 2.5 ppmv.

We will work with the applicant and the District to make sure that the specifications/design of the selective catalytic reduction system, or any other proposed control system, aims at emission levels below 2.5 ppm with some margin of safety.

BIOLOGICAL RESOURCES

The critical biological resource issues that have been identified to date include wetlands jurisdictional determination; and streambed alteration notification and agreement.

Wetland and streambed alteration issues exist for the proposed project because of where it and it's related linear facilities will be constructed. Both the U.S. Army Corps of Engineers and the California Department of Fish and Game administer permit processes that the applicant needs to complete in order to fully comply with those permit requirements. If the applicant initiates early contact and requests appropriate advice from both agencies, timing may not be an issue with respect to our siting

process, otherwise, there could be delays with respect to these outside permitting factors and to our own process.

WETLANDS JURISDICTIONAL DETERMINATION

There are "remnant relictual" wetlands in the vacant land where the project site is located. These remnant wetlands may also be overlapped by the construction lay-down area. The transmission line as proposed, will span some potential wetlands identified by the applicant.

There has to be a jurisdictional determination to see if the U.S. Army Corps of Engineers should be involved with respect to issuing any permits, either under Section 404 of the Clean Water Act or Section 10 under the River and Harbors Act. For the Corps to conduct this determination, a wetland delineation has to be conducted. In order for the Corps to do this delineation on their own, considerable time could be required (ie, up to six months). Usually, project sponsors hire a consultant to prepare a wetlands delineation and then the Corps goes out for a verification visit. Based on the Corps' findings, they will determine if Corps' jurisdiction is appropriate. If so, an environmental review is done to determine the potential impacts on wetlands. The first priority of the Corps is for the project developer to avoid impacts, second, to minimize and mitigate if possible, and the third is to provide wetlands compensation for losses.

STREAMBED ALTERATION NOTIFICATION AND AGREEMENT

Where the PDEF has proposed to install pipelines by horizontal drilling under sloughs and other water channels, they may be required to enter into a streambed alteration agreement under Fish and Game Code Section 1603. A determination of the need to enter into the 1603 agreement will be made by CDFG upon receipt of a notification form (FG2023).

This issue would apply to the proposed boring under Dowest Slough that Woodward-Clyde described in their July 21 supplemental filing. A thorough analysis of the geology under the slough should be determined as it relates to the potential for drilling related disturbance to cause significant increases of suspended material in the slough which could be deleterious to aquatic life. According to CDFG (Mr. John Waithman), this has happened on other projects where boring under waterways was conducted. If the project owner can convince CDFG that this problem is not likely to occur, there should be little problem in obtaining a streambed alteration agreement if determined to be necessary. Staff plans to encourage PDEF to initiate the streambed alteration agreement process with CDFG.

TRANSMISSION SYSTEM ENGINEERING

The Pittsburg District Energy Facility's (PDEF) power plant will be interconnected to Pacific Gas & Electric Company's (PG&E) existing electrical transmission line and will be located in the California Independent System Operator's (Cal-ISO) grid. Therefore,

the primary participants in this analysis will include the Cal-ISO staff, PG&E, and the Energy Commission staff.

The Cal-ISO is responsible for ensuring system reliability and must determine both the standards necessary to achieve reliability and a proposed project's conformity with those standards when interconnecting to the system. Staff will recommend that the Committee request the Cal-ISO identify for the record those reliability laws, ordinances, regulations and standards (LORS) applicable to the project and to provide a statement about whether the project is likely to comply with the LORS. Such involvement by the Cal-ISO will provide the Commission with a sound basis for the required findings regarding conformity.

The selected interconnection requirements may include system upgrades that the Commission is obligated to review under CEQA. The staff will recommend that any Commission decision not based on a final Cal-ISO determination include a condition requiring that the applicant provide the final interconnection agreements to the Commission for its review, and for possible additional environmental analysis and modification of the decision, prior to the commencement of project construction.

The Commission will rely on the Cal-ISO's determinations to make its findings related to conformity with applicable reliability standards, the need for additional transmission facilities, and environmental review of the whole of the project. The term "whole of the project" refers to an action which has a potential for resulting in a physical change in the environment, directly or ultimately. For instance, if insertion of Pittsburg power into the grid resulted in a potential violation of reliability criteria and transmission facilities beyond the point where the outlet line connects were required and were proposed, the environmental implications of these "downstream"[3] facilities must be considered by the Commission in its decision. In this instance the downstream facilities are part of the "whole of the project".

Previous siting cases have shown that under stressed conditions either transmission facility expansion, additional control systems or generation patterns have to be coordinated to maintain local area North American Electric Reliability Council (NERC) and Western Systems Coordinating Council (WSCC) reliability criteria.

The challenge for staff is to coordinate the Cal-ISO's determinations, which are based on PG&E's interconnection studies, with the Commission's decision on the project. Facilitation, timely coordination and analysis will be our primary role and will allow for the Commission's decision to contain a complete identification of all applicable reliability standards, a basis on which to make findings regarding the conformity of the

[3]Such facilities are "downstream" because they are beyond the point where the outlet line joins with the interconnected system. The Commission's "siting" authority ends at the junction, but its CEQA responsibility goes beyond.

proposed project with applicable standards, and ensure an environmental review of the whole of the project.

Our analysis will also evaluate outlet alternatives identified by the applicant and staff and provide preliminary conditions of certification to ensure that applicable LORS are complied with during the design and operation of the project.

For the Cal-ISO to make its determination of compliance with reliability standards and the need for additional facilities, the interconnection study and results being prepared by PG&E in accordance with the Cal-ISO/PG&E Transmission Control Agreement (Section 10), is needed. It is our understanding that a PG&E interconnection study will be provided by the applicant in October, 1998. Staff will monitor the status of this study, conduct workshops as information from the study is available, and coordinate with the stakeholders to identify any potentially significant schedule delays. Staff believes that if an adequate interconnection study is received in October, the Preliminary Staff Assessment will not likely be delayed. It appears, based on our discussions with the Cal-ISO, that they can provide input into our process in a timely manner upon receiving the PG&E study.

However, the restructured industry is still in the developmental stages and many issues related to system reliability have not been resolved. An emerging issue is the system reliability effects from three potential generating plants in the southern portion of PG&E's area (e.g. Kern County region) totaling 1600 megawatts, and Calpine's planned 500-800 megawatt Pittsburg project. It is uncertain how the Cal-ISO plans to analyze these projects, either individually or cumulatively, and what effect the Cal-ISO approach will have on AFC schedules.

Finally, both the preliminary interconnection analysis and the PG&E interconnection study evaluate both 115 kV and 230 kV alternatives. At present the applicant proposes a 115 kV outlet line configuration. If a 230 kV option is found to be required by the Cal-ISO and PG&E, staff representing a number of technical disciplines will likely need additional time to evaluate a new transmission route and termination point.

WATER AND SOIL RESOURCES

The proposed PDEF project will require approximately 3.7 million gallons per day (mgd) of tertiary treated wastewater. The source for this effluent is the Delta Diablo Wastewater Treatment Plant which currently has capacity for approximately one million gallons per day of tertiary treated effluent. Based upon discussions with Paul Causey at the wastewater facility, expansion of the treatment plant is anticipated to occur within the next year. Although the wastewater treatment district has attempted to find additional customers for the tertiary treated effluent, only the PDEF applicant appears to be a firm customer. Given the district's financial constraints, unless other paying customers are found, expansion of the tertiary treatment capacity will only be enough to serve the PDEF facility. A plan for expansion at the level that could accommodate the PDEF wastewater was addressed and certified by the Contra Costa

Water District Board in an environmental impact report prepared during the early 1990s.

WASTEWATER DISCHARGE OPTIONS AND DELTA DIABLO CAPACITY

The applicant has not decided whether to discharge power plant wastewater into the sewer system and back to the Delta Diablo treatment facility, or use a zero discharge process, which is unspecified at this time. The AFC indicates that if the wastewater is returned to the treatment plant, it will account for 24 percent of the plant's remaining capacity. This raises the potential for the project contributing to a cumulative impact on the treatment plant. The district has indicated that if PDEF wastewater is returned to the Delta Diablo plant, that they would prefer to have the flow placed directly in the plant's outfall without additional treatment. This will require approval by the Regional Water Quality Control Board. If the Regional Board does not approve this option, Delta Diablo would have sufficient capacity to treat the PDEF returned wastewater. Staff will work closely with the District and Board staff on this issue.

CUMULATIVE IMPACT OF OTHER PLANNED PROJECTS

A factor that may significantly affect the above issue is the potential 500 to 800 megawatt natural gas-fired power plant which Calpine plans to build in eastern Pittsburg, north of the Delta Diablo facility. Calpine has indicated that this project will also use tertiary treated effluent from Delta Diablo. When both the PDEF and Calpine's projects are considered, the need for expansion of the wastewater treatment plant's tertiary treatment capacity may be in excess of 10 mgd. This would be a much larger expansion than the level that the District is currently anticipating. Although the Delta Diablo facility could easily add new tertiary treatment capacity to meet this demand, additional CEQA evaluation will be required.

Calpine has indicated that its project may also discharge wastewater back to Delta Diablo. Once again, the District prefers that this wastewater be placed directly into the outfall without additional treatment. If additional treatment is required by the Regional Board, there would not be sufficient capacity to treat both the PDEF and Calpine project wastewater. Staff will work closely with the District and Board staff on the cumulative impact issue.

NOISE

The operating power plant will inevitably add to the ambient noise level in the surrounding area. The magnitude of this addition is limited by local LORS (and by staff's recommended criterion). Compliance with such limits is typically assured by applicant's inclusion, in the AFC, of the results of an ambient noise monitoring survey, and by applicant's designing and constructing the facility to limit noise impacts on the surrounding area.

The AFC presents such an ambient noise survey (§ 5.12.1.3; Tables 5.12-1, -2 & -3) showing existing noise levels at non-residential sites (short-term measurements, Table

5.12-3) and at the nearest residential site (24-hour average, Table 5.12-2). The AFC then summarizes the City of Pittsburg General Plan Noise Element, and calculates that the plant should be allowed to contribute noise levels of 65 dBA l_{dn} (a 24-hour average figure) at the nearest residence (§ 5.12.1.4).

Since the power plant can be expected to operate at night, its impact on *nighttime* noise levels at nearby residences is of paramount importance. Because noise in the neighborhood is predominantly industrial in nature (§ 5.12.1.1.1, 5.12.1.3), it is doubtful whether a 24-hour average reading presents an accurate representation of nighttime noise levels. In fact, it is likely that nighttime levels are considerably lower, as much industrial noise would be eliminated at night.

Without knowing *short-term, nighttime* l_{90} (background) levels at the residence, it is impossible to determine whether the planned facility noise contribution of 65 dBA l_{dn} at this location is appropriate. There is a potential it may contribute significantly to nighttime noise levels, potentially much more than the 5 dB increase that is the maximum allowed under the City's Noise Element and under staff's criterion. Staff will ask the applicant to addresse the short-term nighttime noise levels at the nearest residence, including the l_{90} level.

PUBLIC HEALTH

Operation of the PDEF may lead to potential public health concerns due to routine emissions to the atmosphere. The facility will use reclaimed wastewater containing low levels of substances which could be a health concern, if they are discharged to the atmosphere as part of the cooling tower emissions. Staff will investigate that possibility; however preliminary indications are that there will be no major health concerns related to such emissions.

POLICY ISSUES

Staff has identified two policy issues that the Committee should consider during the review of this project: 1) the cumulative impacts of the proposed project, and Calpine's plans to build a 500-800 megawatt power plant approximately two miles east of the PDEF site; and 2) the even more speculative, yet relevant impact of the upcoming sale of PG&E's existing power plants located in Pittsburg and Antioch. These issues will be discussed further in the Preliminary Staff Assessment (PSA) and Final Staff Assessment (FSA) for consideration, and if appropriate, by the Committee and the parties during subsequent hearings.

PROCEDURAL ISSUES

We have begun our analysis of the potential issues identified above, as well as our assessment of other environmental and engineering aspects of the applicant's proposal. As noted above, the first step in that assessment was the issuing of data requests to the applicant on August 24, 1998. Over the next few months, we may

issue additional data requests and conduct public data request, data response, and issue resolution workshops to address concerns regarding the applicant's proposal.

Our initial findings regarding the major issues discussed above, as well as other environmental and engineering findings regarding the project, will be presented in the PSA which is expected to be filed on January 11, 1999. After filing the PSA, we will conduct public workshops to discuss its findings, recommendations and proposed conditions of certification. Based on these workshop discussions and other information that may be provided, we will present our conclusions and recommendations in the Final Staff Assessment which is expected to be filed by March 12, 1999. Table 2 shows our proposed schedule for key events for the project.

Table 2
Staff's Proposed Schedule for the Pittsburg District Energy Facility

DATE	DAYS	EVENT
15-June-98	-37	Pittsburg District Energy Facility LLC, Files Pittsburg District Energy Project AFC
29-July-98	0	Energy Commission Deems AFC Complete
3-Sep-98	41	**Information Hearing, Issue Scoping & Site Visit**
23-Sep-98	42	Data Request Responses Due From Applicant
12-Oct-98	75	Applicant Submits PG&E Interconnection Study to ISO
11-Jan-99	160	Staff Files Preliminary Staff Assessment
26-Jan-99	180	Bay Area Air Quality Management District Files Preliminary Determination Of Compliance (DOC)
25-Feb-99	204	**Prehearing Conference**
12-Mar-99	218	Staff Files Final Staff Assessment
26-Mar-99	240	Bay Area Air District Files DOC
1-Apr-99-12-Apr-99	244--253	**Hearings**
30-Jul-99	364	Adopt Decision

Key events which will dictate whether staff will be able to meet these dates are the applicant's timely response to staff's data requests; the applicant's submittal of information required by the Bay Area Air Quality Management District; the District's filing of its preliminary and final Determination of Compliance; the applicant initiating permit processes with the U.S. Army Corps of Engineers and the California Department of Fish and Game; and the timely review by the Independent System Operator of the transmission interconnection study. If these and other potential issues are resolved sooner than expected, staff may be able to file the PSA and FSA eariler than the proposed schedule indicates.